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THE REGIONAL DIMENSION

Europe and NIS

Report by the Director-General

Supplements and updates information on Europe and NIS provided in the *Annual Report 2000*, chapter IV.D, concerning the implementation of General Conference resolution GC.8/Res.6.

1. In implementing resolution GC.8/Res.6, UNIDO paid particular attention to the request of the General Conference to recognize "the specific needs and priorities in the region of Europe and NIS in the field of industrial development", as well as to the importance that the Conference placed on "regional priorities". In this respect, the Organization made a major effort in the region to follow up its work in the first year of the biennium and to continue to search for new forms of regional cooperation.

2. Thus, UNIDO convened jointly with the Government of Hungary a Regional Conference on Technology Foresight, in April 2001, where representatives from 143 countries—from countries of Europe and NIS and other regions, international organizations, transnational companies and national private sector enterprises—worked to build awareness on the role of technology foresight in designing strategies for the countries of the region on future technological development. The conference was followed by an expert group meeting on technology foresight in June 2001, and by a training seminar, organized jointly with the Budapest University of Economic Sciences and Public Administration.

3. Just as these global forum activities relating to technology foresight were a follow-up to a UNIDO initiative launched during bilateral meetings of the Director-General with highest-level officials in countries of the region and at the earlier Regional Forum on Industrial Cooperation and Partnership, so is the Regional Forum on e-Productivity and Quality to be held in Warsaw in November 2001. The Forum will address how to increase productivity and quality in the region and how industries in the region could benefit from the Internet revolution and the e-economy. It will include a high-level segment with keynote perspectives as well as an expert group meeting on e-productivity and quality.

4. Parallel to these global forum activities, UNIDO continued to pursue regionally-focused technical cooperation activities. These included activities to foster the development of SMEs in the Central Asian republics, in cooperation with the Government of Turkey. Work was also initiated on designing measures to strengthen cooperation with the Organization of Black Sea Economic Cooperation (BSEC), in tripartite cooperation with OECD, through launching efforts to establish an investment and technology promotion

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network in the region, as well as to strengthen cooperation in SME development in BSEC countries.

5. In the environmental area, UNIDO launched enabling activities related to persistent organic pollutants in several countries of the region, and initiated preparations for work in others. Additional co-financing was obtained to allow further development of efforts to work with five countries to transfer environmentally sustainable technology to the Danube River Basin. Also in the Danube area, implementation began on an environmental management and pollution control project focusing on the Tisza River Basin. Preparatory activities were also launched in the area of bioremediation, in preparation for a regional initiative to be launched in 2002.

6. In parallel, UNIDO continued to develop and support the implementation of technical cooperation programmes and projects at the national level and to promote cooperation among the countries of the region. Work continued under the eight ongoing integrated programmes, including those for specific regions of the Russian Federation. Emphasis was placed in all the projects on joint efforts of the recipient country and UNIDO vis-à-vis potential funding partners.

7. Within the framework of the integrated programme for the Russian Federation, UNIDO organized, for the republics of Bashkortostan and Komi, a mission of large Japanese trading and manufacturing companies and banks to promote partnerships with companies in Komi and Bashkortostan. In the context of the subprogramme for the Moscow Oblast, an ambitious new UNIDO initiative was the Dmitrov Food Park. This concept aimed at introducing modern and efficient technological processes, together with modern management and quality control techniques, in the framework of public and private partnerships, with the overall objective of enabling the sustainable production of a wide range of food products, meeting international quality assurance and food safety standards. Once established, the food park is seen as a model that could be reproduced elsewhere in the region.

8. In the area of "stand-alone" projects, phase II of an ODS phase-out project was completed, and plans advanced for capacity-building in cleaner production in Ukraine (both with funding from the Czech Ministry of the Environment). Also in Ukraine, work commenced with funding from Hungary on strengthening food-processing institutions and enterprises. Phase II of a programme on food safety and quality (HACCP and ISO 9000), co-financed by Hungary, was started in Romania.

9. The General Conference also called for appropriate measures to assist the Balkan subregion in rehabilitation and development of its industrial structure with others involved in the coordination effort. Post-crisis reconstruction and rehabilitation were among the specific features considered under stand-alone activities. Discussions continued with a major traditional donor concerning a regional programme in support of civil society organizations and SME development in the Balkan subregion, and discussions with authorities of Yugoslavia focused on possible cooperation for the establishment of an investment promotion agency for donor financing. Extensive work continued throughout the subregion in the area of ODS reduction under the Montreal Protocol, with new projects launched in several Balkan countries.

10. Efforts continued to intensify the dialogue with potential donors to facilitate UNIDO's work in the region. Examples cited above reflect the success that was achieved in obtaining funding and co-financing from both traditional and emerging donors both for UNIDO global forum and technical cooperation activities in the region. In addition to the activities mentioned above, Slovakia, Poland and the Russian Federation continued to fund investment and technology promotion offices in Bratislava, Warsaw and Moscow, respectively. Turkey also continued its financial support for the UNIDO Centre for Regional Industrial Cooperation in Ankara.

11. Success was also achieved in initiating work to establish business advisory centres in Kazakhstan, financed completely from the international private sector. Funds were mobilized by the Investment and Technology Promotion Office in Tokyo to carry out pre-investment activities on industrial waste processing and energy generation in Bulgaria. Initiatives were launched to initiate cooperative efforts with foundations and local authorities, and to obtain funding for UNIDO activities from sources in non-Member States.

ACTION REQUIRED OF THE CONFERENCE

12. The Conference may wish to take note of the information provided in the present document.

Abbreviations

BSEC	Black Sea Economic Cooperation
HACCP	hazard analysis and critical control points
ISO	International Organization for Standardization
NIS	Newly Independent States
ODS	ozone-depleting substance
OECD	Organisation for Economic Cooperation and Development
SME	small and medium enterprise